Construction and commercial production of fertilizer units

2806. MISS MABEL REBELLO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the reasons for which fertilizer plants in the cooperative sector are in profit, whereas the PSU fertilizer units are in losses;

(b) whether Government have invested money in any fertilizer units on their erection and are paying salaries to employees but they have not started commercial production of fertilizer for the last several years;

(c) if so, the names of the units, when they were constructed and how much money has been spent; and

(d) the reasons for not starting commercial production by them?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) The profitability of fertilizer plants depends upon the various factors such as vintage of plant, technology, feedstock, product profile, human resources, managerial expertise, sources of finance and many other factors within the control of management. The cooperative sector plants have an advantage in some of these areas *vis-a-vis* some PSUs, making them profitable. However, some of the fertilizer PSUs such as Rashtriya Chemicals and Fertilizers Ltd. (RCF) and National Fertilizers Ltd. (NFL) too are making profits.

(b) to (d) The Haldia Fertilizer Project of Hindustan Fertilizer Corporation Ltd. (HFC), which was mechanically completed in the end of 1979 could never be commissioned due to insufficient quantum of power sanctioned by West Bengal State Electricity Board and breakdown of number of equipments. Thereafter, various alternatives were explored to revive the project, but its revamp was not found to be techno-economically viable. The cost of Haldia Project was Rs. 520.90 crore as in April, 1986.